



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-893]

Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Final Results, Partial Rescission of Sixth Antidumping Duty Administrative Review and Determination Not to Revoke in Part

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On March 2, 2012, the Department of Commerce ("Department") published in the Federal Register the Preliminary Results of the sixth administrative review ("AR") of the antidumping duty order on certain frozen warmwater shrimp from the People's Republic of China ("PRC").¹ We gave interested parties an opportunity to comment on the Preliminary Results. Based upon our analysis of the comments and information received, we have determined that the application of total adverse facts available ("AFA") to Hilltop,² as part of the PRC-wide entity, is appropriate in this review. Additionally, we continue to find that Zhanjiang Regal Integrated Marine Resources Co., Ltd. ("Regal") has not sold subject merchandise at less than normal value ("NV") during the period of review ("POR"), February 1, 2010, through January 31, 2011.

EFFECTIVE DATE: [Insert date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Bob Palmer and Kabir Archuletta, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S.

Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-9068 and (202) 482-2593, respectively.

¹ See Certain Frozen Warmwater Shrimp From the People's Republic of China: Preliminary Results, Partial Rescission, Extension of Time Limits for the Final Results, and Intent to Revoke, in Part, of the Sixth Antidumping Duty Administrative Review, 77 FR 12801 (March 2, 2012) ("Preliminary Results").

² Hilltop International, Yangjiang City Yelin Hoitat Quick Frozen Seafood Co., Ltd., Fuqing Yihua Aquatic Food Co., Ltd., Ocean Duke Corporation and Kingston Foods Corporation (collectively, "Hilltop").

SUPPLEMENTARY INFORMATION:

Background

On March 31, 2011, the Department initiated an administrative review of 84 producers/exporters of subject merchandise from the PRC.³ In the Preliminary Results, the Department preliminarily rescinded the review with respect to Shantou Yuexing Enterprise Company which submitted a no shipment certification and for which we have not found any information to contradict this claim.⁴

As noted above, on March 2, 2012, the Department published the Preliminary Results of this administrative review and extended the deadline for the final results by 60 days. On April 26, 2012, the Petitioner,⁵ Domestic Processors,⁶ and Hilltop submitted additional surrogate value information. On May 7, 2012, Domestic Processors and Hilltop submitted rebuttal surrogate value information.

On June 19, 2012, the Department issued a letter to all interested parties establishing June 26, 2012, and July 2, 2012, as the case and rebuttal brief deadlines, respectively, for all issues except those concerning Hilltop's U.S. sales and request for company-specific revocation.⁷ On June 26, 2012, Petitioner, Domestic Processors and Hilltop filed case briefs. On July 2, 2012, Petitioner, Domestic Processors, and Hilltop filed rebuttal briefs.

On July 6, 2012, the Department issued a letter to all interested parties establishing July 17, 2012, and July 23, 2012, as the case and rebuttal brief deadlines, respectively, for issues pertaining to Hilltop's U.S. sales and revocation request.⁸ On July 17, 2012, Petitioner, Domestic Processors and Hilltop filed case briefs with respect to the Hilltop issues. On July 23,

³ See Initiation of Antidumping Duty Administrative Reviews, Requests for Revocation in Part, and Deferral of Administrative Review, 76 FR 17825 (March 31, 2011) ("Initiation") for a list of these companies.

⁴ See Preliminary Results at 12803.

⁵ The Ad Hoc Shrimp Trade Action Committee (hereinafter referred to as "Petitioner").

⁶ These domestic parties are the American Shrimp Processors Association (hereinafter referred to as "Domestic Processors").

⁷ See Letter from the Department to All Interested Parties, dated June 19, 2012.

⁸ See Letter from the Department to All Interested Parties, dated July 6, 2012.

2012, Petitioner, Domestic Processors and Hilltop filed rebuttal briefs with respect to the Hilltop issues.

Background Regarding Hilltop

On March 12, 2012, Petitioner submitted information concerning recent criminal convictions of entities/persons affiliated with Hilltop and allegations of a transshipment scheme of shrimp through the Kingdom of Cambodia (“Cambodia”) during the first and second administrative reviews of this proceeding. The involved parties included Hilltop, Hilltop’s U.S. affiliate Ocean Duke Corporation (“Ocean Duke”), and Ocean King (Cambodia) Co., Ltd. (“Ocean King”), a Cambodian company.⁹ Between March 29 and May 16, 2012, interested parties submitted comments regarding these allegations. Between March 16 and May 16, 2012, interested parties met with Department officials to discuss their submissions.¹⁰

On May 17, 2012, the Department placed U.S. Customs and Border Protection (“CBP”) data on the record of this review for entries of shrimp to the United States imported under Harmonized Tariff Schedule of the United States (“HTSUS”) numbers included in the scope of the Order with a country-of-origin designation of Cambodia during the period January 1, 2003, through May 2, 2012.¹¹ Between May 24, 2012, and May 31, 2012, interested parties submitted comments regarding the Cambodian CBP data.

On June 1, 2012, the Department sent Hilltop a supplemental questionnaire addressing a number of the allegations regarding Hilltop and potentially undisclosed affiliations, as well as

⁹ See Letter from Petitioner to the Secretary of Commerce “Certain Frozen Warmwater Shrimp from China: Comments On the Department’s Preliminary Determination to Grant Hilltop’s Request for Company-Specific Revocation Pursuant to 19 C.F.R. § 351.222(b)(2) and Comments in Anticipation of Hilltop’s Forthcoming Verification” (March 12, 2012) (“Petitioner’s March 12 Submission”).

¹⁰ See Memo to the File from Kabir Archuletta, International Trade Analyst, Office 9, “Meeting with Counsel for Petitioner” (March 16, 2012); Memo to the File from Kabir Archuletta, International Trade Analyst, Office 9, “Certain Frozen Warmwater Shrimp from the People’s Republic of China: Ex Parte Meeting with Counsel for Hilltop International” (April 16, 2012); Memo to the File from Kabir Archuletta, International Trade Analyst, Office 9, “Certain Frozen Warmwater Shrimp from the People’s Republic of China: Ex Parte Meeting with Counsel for Petitioner” (May 16, 2012).

¹¹ See Memo to the File from Kabir Archuletta, International Trade Analyst, Office 9, “Customs Data of U.S. Imports of Certain Frozen Warmwater Shrimp from Cambodia” (May 17, 2012).

other issues brought to light in Petitioner's March 12 Submission.¹² On June 15, 2012, Hilltop submitted its response, which largely consisted of a "Preliminary Statement," in which Hilltop provided an analysis that detailed why Hilltop believes the allegations of misconduct prior to AR4 are irrelevant to the Department's revocation analysis, argued that it is improper for the Department to investigate allegations of transshipment in a review proceeding, and stated its refusal to answer any questions regarding its activities prior to AR4.¹³ Hilltop also stated that it already disclosed all affiliations to the Department and that it had no undisclosed Cambodian affiliate during this period of review or the two previous review periods (i.e. the revocation period).

On June 19, 2012, the Department placed on the record of this review public registration documentation listing To Kam Keung, the General Manager¹⁴ of Hilltop, as an owner and director of Ocean King from September 2005 through September 2010, i.e. during AR3-AR5 and through the first half of AR6.¹⁵ On June 19, 2012, the Department also issued to Hilltop a supplemental questionnaire requesting that Hilltop respond to those questions which it previously refused to address and provide additional information related to the public registration documentation for Ocean King.¹⁶ On June 26, 2012, Hilltop submitted its response to the Seventh Supplemental Questionnaire and again refused to answer those questions it deemed irrelevant; however Hilltop admitted that an affiliation with Ocean King did exist from September 2005 until September 28, 2010.¹⁷

¹² See Letter from the Catherine Bertrand, Program Manager, Office 9, regarding the Sixth Supplemental Questionnaire (June 1, 2012) ("Hilltop Sixth Supplemental Questionnaire").

¹³ See Letter from Hilltop to the Secretary of Commerce "Hilltop's Response to June 1, 2012 Supplemental Questionnaire" (June 15, 2012) ("Hilltop Sixth Supplemental Response").

¹⁴ See Letter from Hilltop to the Secretary of Commerce "Section A Response for Hilltop International in the Sixth Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China" (June 15, 2011) at Exhibit 2.

¹⁵ See Memo to the File from Kabir Archuletta, International Trade Analyst, Office 9, "Public Registration Documents for Ocean King (Cambodia) Co., Ltd." (June 19, 2012).

¹⁶ See Letter from Catherine Bertrand, Program Manager, Office 9, to Hilltop "Seventh Supplemental Questionnaire" (July 19, 2012) ("Seventh Supplemental Questionnaire").

¹⁷ See Letter from Hilltop to the Secretary of Commerce "Hilltop's Response to June 1, 2012 Supplemental Questionnaire" (June 26, 2012) at pg. 1 ("Hilltop Seventh Supplemental Response").

On July 6, 2012, the Department placed on the record CBP data for U.S. imports of subject merchandise from the PRC for the period February 1, 2007 through January 31, 2008, which is the period corresponding with the third administrative review of this proceeding. On July 11, 2012, Petitioner submitted comments on the AR3 CBP data.¹⁸

Scope of the Order

The scope of the order includes certain frozen warmwater shrimp and prawns, whether wild-caught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-on or tail-off,¹⁹ deveined or not deveined, cooked or raw, or otherwise processed in frozen form.

The frozen warmwater shrimp and prawn products included in the scope of the order, regardless of definitions in the Harmonized Tariff Schedule of the United States (“HTS”), are products which are processed from warmwater shrimp and prawns through freezing and which are sold in any count size.

The products described above may be processed from any species of warmwater shrimp and prawns. Warmwater shrimp and prawns are generally classified in, but are not limited to, the *Penaeidae* family. Some examples of the farmed and wild-caught warmwater species include, but are not limited to, white-leg shrimp (*Penaeus vannamei*), banana prawn (*Penaeus merguensis*), fleshy prawn (*Penaeus chinensis*), giant river prawn (*Macrobrachium rosenbergii*), giant tiger prawn (*Penaeus monodon*), redspotted shrimp (*Penaeus brasiliensis*), southern brown shrimp (*Penaeus subtilis*), southern pink shrimp (*Penaeus notialis*), southern rough shrimp (*Trachypenaeus curvirostris*), southern white shrimp (*Penaeus schmitti*), blue shrimp (*Penaeus stylirostris*), western white shrimp (*Penaeus occidentalis*), and Indian white prawn (*Penaeus indicus*).

¹⁸ See Letter from Petitioner to the Secretary of Commerce.

¹⁹ “Tails” in this context means the tail fan, which includes the telson and the uropods.

Frozen shrimp and prawns that are packed with marinade, spices or sauce are included in the scope of the order. In addition, food preparations, which are not “prepared meals,” that contain more than 20 percent by weight of shrimp or prawn are also included in the scope of the order.

Excluded from the scope are: (1) Breaded shrimp and prawns (HTS subheading 1605.20.1020); (2) shrimp and prawns generally classified in the *Pandalidae* family and commonly referred to as coldwater shrimp, in any state of processing; (3) fresh shrimp and prawns whether shell-on or peeled (HTS subheadings 0306.23.0020 and 0306.23.0040); (4) shrimp and prawns in prepared meals (HTS subheading 1605.20.0510); (5) dried shrimp and prawns; (6) Lee Kum Kee’s shrimp sauce; (7) canned warmwater shrimp and prawns (HTS subheading 1605.20.1040); (8) certain dusted shrimp;²⁰ and (9) certain battered shrimp. Dusted shrimp is a shrimp-based product: (1) that is produced from fresh (or thawed-from-frozen) and peeled shrimp; (2) to which a “dusting” layer of rice or wheat flour of at least 95 percent purity has been applied; (3) with the entire surface of the shrimp flesh thoroughly and evenly coated with the flour; (4) with the non-shrimp content of the end product constituting between four and 10 percent of the product’s total weight after being dusted, but prior to being frozen; and (5) that is subjected to individually quick frozen (“IQF”) freezing immediately after application of the dusting layer. Battered shrimp is a shrimp-based product that, when dusted in accordance with the definition of dusting above, is coated with a wet viscous layer containing egg and/or milk, and par-fried.

²⁰ On April 26, 2011, the Department amended the antidumping duty order to include dusted shrimp, pursuant to the U.S. Court of International Trade (“CIT”) decision in Ad Hoc Shrimp Trade Action Committee v. United States, 703 F. Supp. 2d 1330 (CIT 2010) and the U.S. International Trade Commission (“ITC”) determination, which found the domestic like product to include dusted shrimp. Because the amendment of the antidumping duty order occurred after this POR, dusted shrimp continue to be excluded in this review. See Certain Frozen Warmwater Shrimp from Brazil, India, the People's Republic of China, Thailand, and the Socialist Republic of Vietnam: Amended Antidumping Duty Orders in Accordance with Final Court Decision, 76 FR 23277 (April 26, 2011); see also Ad Hoc Shrimp Trade Action Committee v. United States, 703 F. Supp. 2d 1330 (CIT 2010) and Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam (Investigation Nos. 731-TA-1063, 1064, 1066-1068 (Review), USITC Publication 4221, March 2011. However, we note that this review only covers suspended entries that did not include dusted shrimp, but cash deposits going forward will apply to dusted shrimp.

The products covered by the order are currently classified under the following HTS subheadings: 0306.13.0003, 0306.13.0006, 0306.13.0009, 0306.13.0012, 0306.13.0015, 0306.13.0018, 0306.13.0021, 0306.13.0024, 0306.13.0027, 0306.13.0040, 0306.17.0003, 0306.17.0006, 0306.17.0009, 0306.17.0012, 0306.17.0015, 0306.17.0018, 0306.17.0021, 0306.17.0024, 0306.17.0027, 0306.17.0040, 1605.20.1010, 1605.20.1030, 1605.21.1030, and 1605.29.1010. These HTS subheadings are provided for convenience and for customs purposes only and are not dispositive, but rather the written description of the scope of the order is dispositive.

Final Partial Rescission

In the Preliminary Results, the Department preliminarily rescinded this review with respect to Shantou Yuexing Enterprise Company. The Department determined that it had no shipments of subject merchandise to the United States during the POR.²¹ Subsequent to the Preliminary Results, no information was submitted on the record indicating that it made sales to the United States of subject merchandise during the POR and no party provided written arguments regarding this issue. Thus, in accordance with 19 CFR 351.213(d)(3), and consistent with our practice, we are rescinding this review with respect to Shantou Yuexing Enterprise Company.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this review are addressed in the “Sixth Administrative Review of Frozen Warmwater Shrimp from the People’s Republic of China: Issues and Decision Memorandum for the Final Results,” which is dated concurrently with this notice (“I&D Memo”). A list of the issues that parties raised and to which we respond in the I&D Memo is attached to this notice as Appendix I. The I&D Memo is a public document and is on file in the Central Records Unit (“CRU”), Main Commerce Building, Room 7046, and

²¹ See Preliminary Results at 12801, 12803.

is accessible on the Department's website at <<http://www.trade.gov/ia>>. The paper copy and electronic version of the memorandum are identical in content.

Changes Since the Preliminary Results

Based on a review of the record as well as comments received from parties regarding our Preliminary Results, we made three revisions to Regal's margin calculation for the final results. First, we have corrected an inadvertent error in the calculation of the ice surrogate value used in the Preliminary Results. For further information see I&D Memo at Comment 14; see also Final SV Memo.²² Additionally, we have included Kongphop Frozen Foods Company Ltd. ("Kongphop") and Sea Bonanza Frozen Foods Company Limited ("Sea Bonanza") financial statements to calculate the surrogate financial ratios, because they are processors of frozen shrimp and their financial statements are contemporaneous and complete and indicate that they are unsubsidized. For further information see I&D Memo at Comment 12; see also Final SV Memo. We have also corrected various errors related to the calculation of the surrogate financial ratios using the financial statements of Kiang Huat Sea Gull Trading Frozen Food Public Co. Ltd. ("Kiang Huat"). For further information see I&D Memo at Comment 13; see also Final SV Memo. The Department's determination to find Hilltop to be part of the PRC-wide entity and deny its company-specific revocation request from the Order are discussed below.

Separate Rates

In our Preliminary Results, we preliminarily determined that Regal met the criteria for the application of a separate rate.²³ We have not received any information since the issuance of the Preliminary Results that provides a basis for the reconsideration of this determination. Therefore, the Department continues to find that Regal meets the criteria for a separate rate.

²² See Memorandum to the File through Catherine Bertrand, Program Manager, Office 9 from Bob Palmer, Case Analyst, Office 9; Sixth Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Surrogate Factor Valuations for the Final Results, ("Final SV Memo") dated concurrently with this notice.

²³ See Preliminary Results at 12801, 12804.

Further, while we preliminarily determined that Hilltop had satisfied the criteria for the application of a separate rate in the Preliminary Results, based on information subsequently placed on the record, for these final results we find that Hilltop's separate rate information is no longer reliable or usable and Hilltop has failed to demonstrate its eligibility for a separate rate. In PRC Shrimp AR5, we found Hilltop to be part of a single entity, which included affiliates in a third country that had extensive production facilities in the PRC.²⁴ In the Preliminary Results, we stated that because Hilltop had presented no additional evidence to demonstrate that it is not a part of this single entity, we continued to find that Hilltop and its affiliates were part of a single entity in this review.²⁵ While we note that Hilltop is located in Hong Kong, its affiliated producers are located in the PRC. As we cannot rely on any of the information provided in Hilltop's section A questionnaire responses, we cannot determine that this single entity of affiliated companies, of which Hilltop is a part, has met the criteria for a separate rate. Therefore, we are not granting a separate rate to Hilltop and its affiliates and we find Hilltop to be part of the PRC-wide entity.

Facts Otherwise Available

Sections 776(a)(1) and 776(a)(2) of the Act provide that if necessary information is not available on the record, or if an interested party (A) withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested subject to sections 782(c)(1) and (e) of the Act; (C) significantly impedes a proceeding under the antidumping statute; or (D) provides such information but the information cannot be verified, then the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

²⁴ See Certain Frozen Warmwater Shrimp From the People's Republic of China: Preliminary Results and Preliminary Partial Rescission of Fifth Antidumping Duty Administrative Review, 76 FR 8338, 8339 (February 14, 2011), unchanged in Administrative Review of Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review, 76 FR 51940 (August 19, 2011) ("PRC Shrimp AR5").

²⁵ See Preliminary Results at 12801, 12803.

Section 782(d) of the Act provides that, if the Department determines that a response to a request for information does not comply with the request, the Department will inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person the opportunity to remedy or explain the deficiency. If that person submits further information that continues to be unsatisfactory, or this information is not submitted within the applicable time limits, then the Department may, subject to section 782(e) of the Act, disregard all or part of the original and subsequent responses, as appropriate.

Section 782(e) of the Act states that the Department shall not decline to consider information deemed “deficient” under section 782(d) if (1) the information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability in providing the information and meeting the requirements established by the Department; and (5) the information can be used without undue difficulties.

Hilltop/PRC-wide Entity

As explained further in Comment 1 of the I&D Memo, the Department finds that the information to calculate an accurate and otherwise reliable margin is not available on the record with respect to Hilltop. Because the Department finds that necessary information is not on the record, and that Hilltop withheld information that has been requested, failed to submit information in a timely manner, significantly impeded this proceeding, and provided information that could not be verified,²⁶ pursuant to sections 776(a)(1) and (2)(A), (B), (C) and (D) of the of Tariff Act of 1930, the Department is using the facts otherwise available. For a more detailed discussion of the Department’s determination, see I&D Memo at Comment 1 and Hilltop AFA

²⁶ See e.g., Certain Lined Paper Products from the People’s Republic of China: Notice of Final Results of the Second Administrative Review of the Antidumping Order, 74 FR 63387 (December 3, 2009), affirmed in The Watanabe Group v. United States, 2010 Ct. Int. Trade LEXIS 144, Slip. Op. 2010-139 (2010).

Memo.²⁷ Further, because we determine that the entirety of Hilltop's data are unusable, we also find that Hilltop has failed to demonstrate that it is eligible for a separate rate and is therefore part of the PRC-wide entity. Accordingly, we are assigning facts available to the PRC-wide entity, of which Hilltop is a part.

Adverse Facts Available

When relying on facts otherwise available, the Department may apply an adverse inference. Section 776(b) of the Act states that if the Department "finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority . . . {the Department} . . . may use an inference that is adverse to the interests of the party in selecting from among the facts otherwise available."²⁸ Adverse inferences are appropriate to "ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."²⁹ In selecting an adverse inference, the Department may rely on information derived from the petition, the final determination in the investigation, any previous review, or any other information placed on the record.³⁰

Based on record evidence, the Department determines that the PRC-wide entity, which includes Hilltop, has failed to cooperate to the best of its ability in providing the requested information. Accordingly, pursuant to sections 776(a)(2)(A), (B), (C) and (D), and section 776(b) of the Act, we find it appropriate to apply a margin to the PRC-wide entity based entirely on facts available with an adverse inference.³¹ By doing so, we ensure that the PRC-wide entity,

²⁷ See Memorandum to the File through Catherine Bertrand, Program Manager, Office 9, from Kabir Archuleta, Analyst, Office 9, re: "Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Application of Adverse Facts Available to Hilltop International," dated concurrently with this notice ("Hilltop AFA Memo").

²⁸ See also Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Rep. No., 103-316 at 870 (1994) ("SAA").

²⁹ See *id.*

³⁰ See section 776(b) of the Act.

³¹ See Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Preliminary Results of the First Administrative Review, 72 FR 10689, 10692 (March 9, 2007) (decision to apply total AFA to the NME-wide entity), unchanged in Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of the First Administrative Review and First New Shipper Review, 72 FR 52052 (September 12, 2007).

which includes Hilltop, will not obtain a more favorable result by failing to cooperate than had it cooperated fully in this review. See I&D Memo at Comment 1 and Hilltop AFA Memo.

The Department's practice is to select an AFA rate that is sufficiently adverse as to effectuate the purpose of the facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner and that ensures that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.³² In choosing the appropriate balance between providing respondents with an incentive to respond accurately and imposing a rate that is reasonably related to the respondent's prior commercial activity, selecting the highest prior margin "reflects a common sense inference that the highest prior margin is the most probative evidence of current margins, because, if it were not so, the importer, knowing of the rule, would have produced current information showing the margin to be less."³³ Specifically, the Department's practice in reviews, when selecting a rate as total AFA, is to use the highest rate on the record of the proceeding which, to the extent practicable, can be corroborated.³⁴ The CIT and U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") have affirmed Commerce's practice of selecting the highest margin on the record for any segment of the proceeding as the AFA rate.³⁵ Therefore, we are assigning as AFA to the PRC-wide entity, which includes Hilltop, a rate of 112.81%, which is the highest rate on the

³² See Notice of Final Determination of Sales at Less than Fair Value: Static Random Access Memory Semiconductors From Taiwan, 63 FR 8909, 8911 (February 23, 1998); see also Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of the Seventh Administrative Review; Final Results of the Eleventh New Shipper Review, 70 FR 69937, 69939 (November 18, 2005), and SAA at 870.

³³ See Rhone Poulenc, Inc. v. United States, 899 F.2d 1185, 1190 (Fed. Cir. 1990).

³⁴ See Glycine from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, 74 FR 15930, 15934 (April 8, 2009), unchanged in Glycine From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 74 FR 41121 (August 14, 2009); see also Fujian Lianfu Forestry Co., Ltd. v. United States, 638 F. Supp. 2d 1325, 1336 (CIT August 10, 2009) ("Commerce may, of course, begin its total AFA selection process by defaulting to the highest rate in any segment of the proceeding, but that selection must then be corroborated, to the extent practicable.").

³⁵ See, e.g., KYD, Inc. v United States, 607 F.3d 760, 766-767 (CAFC 2010) ("KYD"); see also NSK Ltd. v. United States, 346 F. Supp. 2d 1312, 1335 (CIT 2004) (affirming a 73.55 percent total AFA rate, the highest available dumping margin calculated for a different respondent in the investigation).

record of this proceeding and which was the rate assigned to the PRC-wide entity in the less than fair value investigation (“LTFV”) of this proceeding.³⁶

Corroboration of PRC-Wide Entity Rate

Section 776(c) of the Act requires that when relying on secondary information, the Department must corroborate, to the extent practicable, the rate which it applies as AFA. To be considered corroborated, the Department must find the information has probative value, meaning that the information must be found to be both reliable and relevant.³⁷ As noted above, we are applying as AFA the highest rate from any segment of this proceeding, which is the rate currently applicable to all exporters subject to the PRC-wide rate. Although Hilltop has questioned the reliability of the PRC-wide rate because it was based on normal values calculated using Indian surrogate values,³⁸ the Department sees no reason to deviate from its standard practice of using petition rates as the rates for applying adverse facts available.³⁹ The Department's practice is not to recalculate margins provided in petitions, but rather to corroborate the applicable petition rate when applying that rate as AFA.⁴⁰ The AFA rate in the current

³⁶ See Notice of Preliminary Determination of Sales at Less Than Fair Value, Partial Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the People's Republic of China, 69 FR 42654, 42662 (July 16, 2004) (“PRC Shrimp Prelim LTFV”), unchanged in Notice of Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp From the People's Republic of China, 69 FR 70997, 71002 (December 8, 2004) (“PRC Shrimp Final LTFV”).

³⁷ See SAA at 870; Tapered Roller Bearings and Parts Thereof, Finished and Unfinished From Japan, and Tapered Roller Bearings Four Inches or Less in Outside Diameter and Components Thereof, From Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews, 61 FR 57391, 57392 (November 6, 1996) unchanged in Tapered Roller Bearings and Parts Thereof, Finished and Unfinished From Japan, and Tapered Roller Bearings Four Inches or Less in Outside Diameter and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part, 62 FR 11825 (March 13, 1997).

³⁸ See Letter from Hilltop to the Secretary of Commerce, “Hilltop-Specific Issues Rebuttal Brief for Hilltop International” (July 23, 2012) at 26.

³⁹ See, e.g., Certain Steel Grating From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 75 FR 32366 (June 8, 2010) and accompanying Issues and Decision Memorandum at Comment 2.

⁴⁰ See Narrow Woven Ribbons With Woven Selvedge From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 75 FR 41808 (July 19, 2010) and accompanying Issues and Decision Memorandum at Comment 1.

review (i.e., the PRC-wide rate of 112.81 percent) represents the highest rate from the petition in the LTFV investigation and was corroborated in the LTFV investigation.⁴¹

With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Where circumstances indicate that the selected margin is not appropriate as AFA, the Department will disregard the margin and determine an appropriate margin. For example, in Fresh Cut Flowers from Mexico,⁴² the Department disregarded the highest margin on the record as not being the best information available (the predecessor to adverse facts available) because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin. The information used in calculating this margin was based on sales and production data submitted by the petitioner in the LTFV investigation, together with the most appropriate surrogate value information available to the Department chosen from submissions by the parties in the LTFV investigation.⁴³ Furthermore, the calculation of this margin was subject to comment from interested parties during the investigation after it was selected as the rate for the PRC-wide entity in the preliminary results.⁴⁴ This has been the rate applicable to the PRC-wide entity since the investigation. As there is no information on the record of this review that demonstrates that this rate is not appropriate for use as AFA, we determine that this rate continues to be relevant. Further, the CIT has held that where a respondent is found to be part of the country-wide entity based on adverse inferences, the Department need not corroborate the country-wide rate with respect to information specific to that respondent because there is “no

⁴¹ See PRC Shrimp Prelim LTFV, unchanged in PRC Shrimp Final LTFV.

⁴² See Fresh Cut Flowers from Mexico; Final Results of Antidumping Administrative Review, 61 FR 6812, 6814 (February 22, 1996) (“Fresh Cut Flowers From Mexico”).

⁴³ See PRC Shrimp Prelim LTFV at 42654, 42662.

⁴⁴ See id.

requirement that the country-wide entity rate based on Adverse Facts Available relate specifically to the individual company.”⁴⁵

Because the 112.81 percent rate is both reliable and relevant, we determine that it has probative value and is corroborated to the extent practicable, in accordance with section 776(c) of the Act. Therefore, we have assigned this AFA rate to exports of the subject merchandise by the PRC-wide entity, which includes Hilltop.

Request for Revocation

In the Preliminary Results, we determined that “pursuant to section 751(d) of the Act and 19 CFR 351.222(b)(2) . . . the application of the antidumping duty order with respect to Hilltop is no longer warranted for the following reasons: (1) The company had a zero or de minimis margin for a period of at least three consecutive years; (2) the company has agreed to immediate reinstatement of the order if the Department finds that it has resumed making sales at less than NV; and, (3) the continued application of the order is not otherwise necessary to offset dumping.”⁴⁶ After thorough analysis of the record evidence submitted after the Preliminary Results in this review, we find that Hilltop, even if it were considered to be eligible for a separate rate and received a calculated zero or de minimis margin in this review, has failed to demonstrate that the “continued application of the order is not otherwise necessary to offset dumping.” Rather, we find that the deficiencies on the record of this review, which also implicate prior reviews, preclude the Department from granting Hilltop’s revocation request, in part due to Hilltop’s material misrepresentations in this review and its refusal to provide information regarding activities relevant to the proceeding. See I&D Memo at Comment 2; see also Hilltop AFA Memo. Furthermore, because Hilltop (even if it were eligible for a separate rate) receives

⁴⁵ See Watanabe Group v. United States, 2010 Ct. Int. Trade LEXIS 144, Slip. Op. 2010-139 (2010); quoting Peer Bearing Co.-Changshan v. United States, 587 F. Supp. 2d 1319, 1327 (CIT 2008); Shandong Mach. Imp. & Exp. Co. v. United States, Slip Op. 09-64, 2009 Ct. Intl. Trade LEXIS 76, 2009 WL 2017042, at *8 (CIT June 24, 2009) (“Commerce has no obligation to corroborate the PRC-wide rate as to an individual party where that party has failed to qualify for a separate rate”).

⁴⁶ See Preliminary Results at 12803.

an AFA rate in these final results, it does not satisfy the threshold requirement for revocation that a company must have three consecutive periods of sales at or above normal value. Thus we find that the criteria for revocation have not been satisfied, and we are not revoking the Order with regard to Hilltop.

Final Results of Review

The weighted-average dumping margins for the POR are as follows:

Exporter	Weighted-Average Margin
Zhanjiang Regal Integrated Marine Resources Co., Ltd.	0.00%
PRC-Wide Entity ⁴⁷	112.81%

Assessment

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b), the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. For assessment purposes, we calculated importer (or customer)-specific assessment rates for merchandise subject to this review. Where appropriate, we calculated an ad valorem rate for each importer (or customer) by dividing the total dumping margins for reviewed sales to that party by the total entered values associated with those transactions. For duty-assessment rates calculated on this basis, we will direct CBP to assess the resulting ad valorem rate against the entered customs values for the subject merchandise. Where appropriate, we calculated a per-unit rate for each importer (or customer) by dividing the total dumping margins for reviewed sales to that party by the total sales quantity associated with those transactions. For duty-assessment rates calculated on this basis, we will direct CBP to assess the resulting per-unit rate against the entered quantity of the subject merchandise. Where an importer (or customer)-specific assessment rate is de minimis

⁴⁷ See Appendix II- PRC-Wide Entity Companies.

(i.e., less than 0.50 percent), the Department will instruct CBP to assess that importer (or customer's) entries of subject merchandise without regard to antidumping duties, in accordance with 19 CFR 351.106(c)(2). The Department intends to issue assessment instructions to CBP 15 days after the date of publication of these final results of review.

Cash Deposit Requirements

The following cash-deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For the exporters listed above, the cash deposit rate will be the rate established in the final results of this review (except, if the rate is zero or de minimis, i.e., less than 0.5 percent, no cash deposit will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 112.81 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement

could result in the Department's presumption that reimbursement of antidumping duties has occurred and the subsequent assessment of doubled antidumping duties.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this administrative review and notice in accordance with sections 751(a)(1) and 777(i) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

August 27, 2012
Date

Appendix I – Issues & Decision Memorandum

- Comment 1: Whether the Department Should Apply Facts Available with an Adverse Inference to Hilltop
- Comment 2: Whether Hilltop's Revocation Request Should be Denied
- Comment 3: Whether the Record Suggests a Violation of 18 U.S.C. § 1001
- Comment 4: Whether the Department Should Initiate Changed Circumstances Reviews
- Comment 5: Whether the Department Should Reject Petitioner's Untimely Submission of Factual Evidence
- Comment 6: Whether the Department Should Formally Cancel Verification of Hilltop
- Comment 7: Whether to Apply AFA to Regal
- Comment 8: Respondent Selection Methodology
- Comment 9: Shrimp Larvae
- Comment 10: Shrimp Feed
- Comment 11: Labor Surrogate Value
- Comment 12: Surrogate Financial Statement Selection
- Comment 13: Surrogate Financial Ratio Adjustment
- Comment 14: Surrogate Value Calculation for Ice

Appendix II – PRC-Wide Entity Companies

The PRC-wide entity includes Hilltop and the 81 companies currently under review that have not established their entitlement to a separate rate. Those 81 companies are:

Allied Pacific Aquatic Products Zhanjiang Co Ltd.

Allied Pacific Food (Dalian) Co., Ltd.

Asian Seafoods (Zhanjiang) Co., Ltd.

Beihai Evergreen Aquatic Product Science And Technology Co Ltd.

Beihai Qinguo Frozen Foods Co., Ltd.

Capital Prospect

Dalian Hualian Foods Co., Ltd.

Dalian Shanhai Seafood Co., Ltd.

Dalian Z&H Seafood Co., Ltd.

Ever Hope International Co., Ltd.

Everflow Ind. Supply

Flags Wins Trading Co., Ltd.

Fuchang Aquatic Products Freezing

Fujian Chaohui International Trading

Fuqing Minhua Trade Co., Ltd.

Fuqing Yihua Aquatic Food Co., Ltd.

Fuqing Yiyuan Trading Co., Ltd.

Gallant Ocean (Nanhai), Ltd.

Guangdong Jiahuang Foods

Guangdong Jinhang Foods Co., Ltd.

Guangdong Wanya Foods Fty. Co., Ltd.

Hai Li Aquatic Co., Ltd.

Hainan Brich Aquatic Products Co., Ltd.

Hainan Golden Spring Foods Co., Ltd.

Hainan Hailisheng Food Co., Ltd.

Hainan Seaberry Seafoods Corporation

Hainan Xiangtai Fishery Co., Ltd.

Haizhou Aquatic Products Co., Ltd.

Hua Yang (Dalian) International

Jet Power International Ltd.

Jin Cheng Food Co., Ltd.

Leizhou Yunyuan Aquatic Products Co., Ltd.

Maple Leaf Foods International

North Seafood Group Co.

Panasonic Mfg. Xiamen CoPhoenix Intl.

Rizhao Smart Foods

Rui'an Huasheng Aquatic Products Processing Factory

Savvy Seafood Inc.

Sea Trade International Inc.

Shanghai Linghai Fisheries Trading Co. Ltd.

Shanghai Smiling Food Co., Ltd.

Shanghai Zhoulian Foods Co., Ltd.

Shantou Jiazhou Foods Industry

Shantou Jin Cheng Food Co., Ltd.

Shantou Longfeng Foodstuff Co., Ltd.
Shantou Longsheng Aquatic Product Foodstuff Co., Ltd.
Shantou Ruiyuan Industry Company Ltd.
Shantou Wanya Foods Fty. Co., Ltd.
Shantou Xinwanya Aquatic Product Ltd Company
Shantou Yue Xiang Commercial Trading Co., Ltd.
Shengsi Huali Aquatic Co., Ltd.
SLK Hardware
Thai Royal Frozen Food Zhanjiang Co., Ltd.
Tongwei Hainan Aquatic Products Co. Ltd.
Top One Intl.
Xiamen Granda Import & Export Co., Ltd.
Xinjiang Top Agricultural Products Co., Ltd.
Xinxing Aquatic Products Processing Factory
Yancheng Hi-king Agriculture Developing Co., Ltd.
Yangjiang Wanshida Seafood Co., Ltd.
Yelin Enterprise Co., Ltd.
Zhangzhou Xinwanya Aquatic Product
Zhanjiang East Sea Kelon Aquatic Products Co. Ltd
Zhanjiang Fuchang Aquatic Products Co., Ltd.
Zhanjiang Go Harvest Aquatic Products Co., Ltd.
Zhanjiang Haizhou Aquatic Product Co. Ltd.
Zhanjiang Jinguo Marine Foods Co., Ltd.
Zhanjiang Longwei Aquatic Products Industry Co., Ltd.
Zhanjiang Universal Seafood Corp.
Zhejiang Daishan Baofa Aquatic Products Co., Ltd.
Zhejiang Industrial Group Co., Ltd.
Zhejiang Shaoxing Green Vegetable Instant Freezing Co., Ltd.
Zhejiang Zhoufu Food Co., Ltd.
Zhongshan Foodstuffs & Aquatic Imp. & Exp. Group Co. Ltd. of Guangdong
Zhoushan City Shengtai Aquatic Co.
Zhoushan Junwei Aquatic Product Co.
Zhoushan Lianghong Aquatic Foods Co. Ltd.
Zhoushan Mingyu Aquatic Product Co. Ltd.
Zhoushan Putuo Huafa Sea Products Co., Ltd.

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